

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

May 15, 2001

LB 536

SENATOR CHAMBERS: But we cannot say with certainty that they can remain profitable without that subsidy, can we? Let me ask the question a different way. Those who are lobbying for this bill, those investors, are convinced that the subsidy that exists right now, the 7.5 cents, is necessary for them to operate profitably. Would you agree with that?

SENATOR DIERKS: I think generally I would, yes.

SENATOR CHAMBERS: So, without the subsidies, ethanol production in this state would not turn a profit, which comes back to my point. Would you agree with that?

SENATOR DIERKS: I really don't agree with that, Senator Chambers. I think that they would be profitable without the 7.5. Depends on the plant. I think some would, maybe some wouldn't, but I'm not sure you can make a blanket statement about all of them.

SENATOR CHAMBERS: Would you agree that the subsidy, talking now about the 7.5 cents, is viewed by the ones who operate these plants as being essential to their successful operation, or do they say that they will be profitable without it?

SENATOR DIERKS: I can't tell you that. I think that they think they need that 7.5 cents, but I don't know whether they're...whether they think they'd be profitable or not.

SENATOR CHAMBERS: Do they need the 7.5 cents to increase their profit margin and give their investors a higher return on their investment?

SENATOR DIERKS: I think that's the general idea, yes.

SENATOR CHAMBERS: Thank you, Senator Dierks. Members of the Legislature, which other group of gamblers do we guarantee a return on their bet? We don't do it for people who go to the casinos. We don't say if you lose 100 percent of your money the casinos must give you 10 percent of it back. We don't say that if you gamble and you increase the amount of your money by 10 percent they have to add an additional 2 percent. If